



California Fair Political Practices Commission

December 21, 1989

Bill Zimmerman
Zimmerman, Fiman and Dixon
Political Consulting and Communications
1250 Sixth Street
Santa Monica, CA 90401

Re: Your Request for Advice
Our File No. A-89-665

Dear Mr. Zimmerman:

You have requested advice as the proponent of the Split Roll Property Tax Initiative, concerning the campaign disclosure provisions of the Political Reform Act (the "Act").¹

QUESTION

Is the committee formed to support the initiative a sponsored or a controlled committee?

CONCLUSION

The committee supporting the Split Roll Property Tax Initiative appears to be both a sponsored committee and a controlled committee. Accordingly, the name of the committee must include the name of its sponsor, the Stein-Brief Group, and include or be accompanied by your name as the controlling proponent. In addition, you will be required to sign the committee's campaign disclosure statements.

FACTS

You are the proponent for the Split Roll Property Tax Initiative. "Voter Revolt for Fair Property Taxes" is the

¹ Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

committee which is primarily formed to support the initiative. The committee's statement of organization indicates that you control the committee. A very large portion of the money raised by "Voter Revolt for Fair Property Taxes" came from the Stein-Brief Group.

ANALYSIS

Every organization which receives political contributions totaling \$1,000 or more in a calendar year is a recipient committee. (Section 82013(a).) Each recipient committee is required to file a statement of organization (Form 410) with the Secretary of State within 10 days after qualifying as a recipient committee. (Section 84101.)

The statement of organization must include, among other things, the name of the committee. If the committee is a "sponsored committee," the committee's name must include the name of its sponsor. (Section 84102(a).) The statement of organization also must include a statement indicating whether the committee is "controlled." (Section 84102(e).) If the committee is controlled, its name must include or be accompanied by the name of the person who controls it. (Section 84106.)

Section 82048.7 defines "sponsored committee" as follows:

a) "Sponsored committee" means a committee, other than a candidate controlled committee, which has one or more sponsors. Any person, except a candidate, proponent, or other individual, may sponsor a committee.

b) A person sponsors a committee if any of the following apply:

1) The committee receives all or nearly all of its contributions from the person or its members, officers, employees, or shareholders.

2) The person collects contributions for the committee by use of payroll deductions or dues from its members, officers, or employees.

3) The person alone or in combination with other organizations, provides all or nearly all of the administrative services for the committee.

4) The person, alone or in combination with other organizations, sets the policies for soliciting contributions or making expenditures of committee funds.

You have indicated that the committee received a very large portion of the money it raised from the Stein-Brief Group. If all or nearly all of the committee's funds were received from the Stein-Brief Group, then the Stein-Brief Group would qualify as the sponsor of "Voters Revolt for Fair Property Taxes" pursuant to Section 82048.7(b)(1).

The provisions requiring identification of sponsored committees became effective in 1986. One purpose of these provisions is to prevent special interest groups, which sponsor political committees, from hiding their identity behind the committee name. A second purpose is to consolidate the campaign reporting of the committee, its sponsor, and any affiliates or intermediate units of the sponsor. If the committee is a sponsored committee, both these purposes would be achieved. The committee would be required to include the name of the Stein-Brief Group in its name. In addition, campaign reporting by the committee and the sponsoring entity could be consolidated.

You are both the proponent of the proposed initiative and the decision maker for the committee. Therefore, the committee also meets the definition of a "controlled committee" pursuant to Section 82016, which states:

"Controlled committee" means a committee which is controlled directly or indirectly by a candidate or state measure proponent or which acts jointly with a candidate, controlled committee or state measure proponent in connection with the making of expenditures. A candidate or state measure proponent controls a committee if he, his agent or any other committee he controls has a significant influence on the actions or decisions of the committee.

Originally, Section 82048.7 excluded all controlled committees from the definition of "sponsored committee." However, effective January 1, 1989, Section 82048.7 was amended to exclude only candidate controlled committees.

Based on the above, we conclude that the committee appears to be both sponsored by the Stein-Brief Group and controlled by you. Therefore, the committee must amend its statement of organization to include both the Stein-Brief Group and your name in its name.² The statement of organization must also indicate that the committee is a sponsored committee and that it is a controlled

² Within 30 days of its numerical designation on the ballot, the committee also must amend its name to include the words "a committee for Proposition _____" or similar language indicating its support of the measure. (Section 84107.)

committee. (Section 84102.) In addition, as the proponent of a state measure who controls the measure committee, you must sign the committee's campaign disclosure statements. (Section 84213.)

If you have any further questions regarding this matter, please contact me at (916) 322-5662.

Sincerely,

Kathryn E. Donovan
General Counsel

Wayne P. Imberi
By: Wayne P. Imberi *EW*
Political Reform Consultant



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November 16, 1989

Kathy Donovan, General Counsel
Fair Political Practices Commission
428 J Street, #800
Sacramento CA 95814

Dear Ms. Donovan,

I want to alert you to a possible problem regarding a disclosure filing. I am the proponent of the Split Roll Property Tax Initiative, which submitted qualifying signatures on October 30 of this year. We are now at work on the financial disclosure report detailing the contributions and expenses we made during our signature drive.

A very large portion of the money we raised for this effort came from a single source, the Stein-Brief Group, Inc., which is wholly owned by David Stein and Barry Brief, two Orange County residents.

Your regulations could read such that we would have to file our report as a "sponsored" committee, listing Messrs. Stein and Brief as our sponsors. However, since I am the proponent of the initiative, I had control over how the money was spent, which could indicate that we are not a "sponsored" committee under your regulations.

We are unable to decipher the situation, and following up a telephone call to your staff in which we were informed that the Commission is also unable to decipher the situation, we are, at your request, filing this letter with



you to indicate a best effort on our part to comply with all regulations that might relate to our upcoming report.

Please call if you have any questions, or if you would like additional information.

Sincerely,

A handwritten signature in cursive script that reads "Bill Zimmerman". The signature is fluid and stylized, with the first and last names being clearly legible.

Bill Zimmerman, Political Director
Voter Revolt



California Fair Political Practices Commission

November 17, 1989

Bill Zimmerman
Political Director, Voter Revolt
1250 Sixth Street
Santa Monica, CA 90401

Re: Letter No. 89-665

Dear Mr. Zimmerman:

Your letter requesting advice under the Political Reform Act was received on November 20, 1989 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to the information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Code of Regs. Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

Jeanne Pritchard by *sd*
Jeanne Pritchard
Chief Technical Assistance
and Analysis Division

JP:plh